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UNITED STATES OF AMERICA

15 UNITED STATES DISTRICT COURT

16 FOR THE CENTRAL DISTRICT OF CALIFORNIA

17 UNITED STATES OF AMERICA,

No. CR 15-704 (A) -SJO

18 Plaintiff,

GOVERNMENT'S SENTENCING POSITION

19 v.

20 RAMI NAJM ASAD GHANEM,  
21 aka "Rami Ghanem,"

22 Defendant.

23  
24 Plaintiff United States of America, by and through its counsel  
25 of record, the United States Attorney for the Central District of  
26 California and undersigned counsel, hereby files Government's  
27 Sentencing Position.  
28

1 The government's sentencing position is based upon the attached  
2 sentencing memorandum and exhibits, the files and records in this  
3 case, the Pre-Sentence Investigation Report, and such further  
4 evidence and argument as the Court may permit.

5 Dated: May 13, 2019

Respectfully submitted,

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United States Attorney

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8 Assistant United States Attorney  
Chief, National Security Division  
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15 UNITED STATES OF AMERICA  
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MEMORANDUM OF POINTS AND AUTHORITIES

**I. SUMMARY OF GOVERNMENT'S POSITION**

For years, defendant bought, sold, and brokered the sale of millions of rounds of ammunition, each of which had the potential and the purpose to end a human life. The machine guns, assault rifles, mortars, rocket-propelled grenades, and anti-tank weapons that were also his stock and trade had virtually limitless potential to sow death and destruction both on and off the battlefield, particularly when coupled with the unending stream of ammunition that defendant marketed to feed those weapons. Defendant was undoubtedly aware that the machinery of death in which he trafficked had the power to shatter (and may have shattered) countless lives, including civilian lives. He was cavalier about those lives and his role in endangering them for his own financial benefit, and he admitted to being indifferent to the possibility that his weapons and ammunition would be used against civilians. Defendant's callous disregard for human life in pursuit of riches is particularly aggravating.

Defendant also conspired to transfer, and to use, surface-to-air missiles. Because of the unique danger that anti-aircraft missiles present to commercial aircraft and to other U.S. national security interests, the conspiracy to transfer or use even one of these weapons carries a mandatory minimum penalty of 25 years' imprisonment. Defendant procured anti-aircraft missile operators to shoot down airplanes operated by the democratically elected and internationally recognized government of Libya and offered these mercenaries a \$50,000 bonus to do so. In addition to that conspiracy to use shoulder-fired anti-aircraft missiles, defendant also sought to enrich himself by selling many hundreds of anti-aircraft missiles



1 of all varieties to militant factions and governments around the  
2 world. Defendant's efforts to proliferate these weapons on the  
3 global black market jeopardized civilians, U.S. military forces,  
4 allied forces, U.S. diplomacy and foreign policy, and other national  
5 security interests.

6 The 25-year mandatory minimum is insufficient in light of the  
7 breadth and gravity of defendant's efforts to use and to transfer  
8 anti-aircraft missiles, his brokering of vast quantities of almost  
9 limitless types of heavy weapons of war and ammunition over the  
10 years, and his acknowledged disregard for human life in pursuit of  
11 personal wealth. The government respectfully recommends that the  
12 Court impose a sentence including a prison term of more than 25  
13 years.

## 14 **II. FACTUAL BACKGROUND**

### 15 **A. Procedural History**

16 On December 22, 2015, defendant was charged in a four-count  
17 indictment (the "original Indictment") with violations of 22 U.S.C.  
18 § 2778 (Arms Export Control Act), 18 U.S.C. § 554 (Smuggling), and 18  
19 U.S.C. § 1956(a)(2)(A) (Money Laundering). A superseding indictment  
20 filed on March 24, 2017, charged defendant with three additional  
21 counts alleging violations of 18 U.S.C. § 371 (Conspiracy, Count 1),  
22 22 U.S.C. § 2778 (Arms Export Control Act, Count 2), and 18 U.S.C.  
23 § 2332g (Conspiracy to Use and to Transfer Missile Systems Designed  
24 to Destroy Aircraft, Count 3) (the "First Superseding Indictment" or  
25 "FSI").

26 On October 29, 2018, without a plea agreement, defendant entered  
27 pleas of guilty to the four-count original indictment and Counts 1  
28 and 2 of the FSI. On October 30, 2018, trial commenced as to Count 3

1 of the FSI. On November 15, 2018, the jury return a verdict of  
2 guilty.

3 The United States Probation Office (USPO) disclosed the  
4 presentence report (PSR) on January 28, 2019. On April 1, 2019,  
5 defendant filed objections to the PSR, as detailed below.

6 Thereafter, the prosecution and the USPO engaged in several  
7 communications about the Sentencing Guidelines calculations. As of  
8 the date of filing, the USPO had not made a final decision as to its  
9 recommended calculations. The government's Sentencing Guidelines  
10 analysis is provided below. The sentencing hearing is set for June  
11 3, 2019.

#### 12 **B. The Undercover Transaction**

13 Beginning in July 2014, defendant sought to illegally purchase  
14 from a Homeland Security Investigations ("HSI") undercover agent a  
15 large volume of weapons, munitions, and night vision optics.  
16 Defendant's opening bid in these negotiations requested "as many as  
17 you have" of machine guns, assault rifles, sniper rifles, rocket-  
18 propelled grenades, mortars, missiles, and ammunition of every  
19 available caliber. On numerous occasions, defendant acknowledged  
20 that their business was being conducted "illegally" and "under the  
21 table." In communications with the undercover agent, defendant  
22 described some of his many other "black market" arms transactions and  
23 detailed his regular business practice of using "cover" contracts to  
24 conceal the illicit nature of his weapons business.

25 The list of military articles that defendant sought from the  
26 undercover agent in connection with what defendant described as his  
27 \$2 billion per year business shifted over time. Among the items he  
28 sought from the undercover agent were Hellfire air-to-ground

1 missiles, TOW anti-tank guided missiles, and surface-to-air missiles.  
2 Defendant told the undercover agent about his ties to the leadership  
3 of Hezbollah, which is designated as a foreign terrorist organization  
4 by the U.S. State Department, and explained that he had high-level  
5 contacts in the governments of numerous countries and militant groups  
6 around the world, including the Chinese government, the Saudi Arabian  
7 government, the Jordanian and Egyptian militaries, high-level Iranian  
8 customers, and the Libya Dawn rebel militant faction,<sup>1</sup> among others —  
9 — claims that were corroborated by defendant's records. Eventually,  
10 in August 2015, defendant settled on what he described as a small  
11 initial \$220,000 order to include .50-caliber sniper rifles, pistols,  
12 silencers, ammunition, and night-vision optics, promising to  
13 negotiate much larger future orders if the undercover agent was able  
14 to deliver that first shipment. Defendant made two \$90,000 payments  
15 toward this order and made arrangements to inspect the weapons in  
16 Greece in December 2015, where he was arrested on a complaint. The  
17 subsequent original indictment alleged violations of the Arms Export  
18 Control Act, smuggling, and money laundering.

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22  
23 <sup>1</sup> Defendant's primary business contact in the Libya Dawn faction  
24 was the self-styled "prime minister" of that group, Khalifa Al-  
25 Ghawil. On April 19, 2016, a few months after defendant's arrest,  
26 the U.S. Department of the Treasury designated Al-Ghawil as a  
27 "Specially Designated National." See  
28 [https://www.treasury.gov/resource-center/sanctions/OFAC-  
Enforcement/Pages/20160419.aspx](https://www.treasury.gov/resource-center/sanctions/OFAC-Enforcement/Pages/20160419.aspx) (last accessed May 3, 2019). As a  
result of this designation, which is reserved for countries subject  
to sanctions as well as hostile individuals and groups such as  
terrorists and narcotics traffickers — Al-Ghawil's assets were  
blocked and U.S. citizens were prohibited from dealing with him. See  
[https://www.treasury.gov/resource-center/sanctions/SDN-  
List/Pages/default.aspx](https://www.treasury.gov/resource-center/sanctions/SDN-List/Pages/default.aspx) (last accessed May 3, 2019).

**C. Defendant's Prolific Unlawful Arms Trafficking Activities  
Unrelated to the Undercover Transaction**

At defendant's arrest in Greece, authorities seized 19 digital devices from his person and his hotel room. On these devices, agents discovered further evidence of defendant's prolific global arms-trafficking business, including numerous communications reflecting defendant's efforts to buy and sell a wide array of heavy weapons.

**1. Negotiations, Offers, Contracts, and Other Documents  
Offering a Snapshot of Defendant's High-Volume, High-  
Dollar Illegal Arms Business**

Defendant's communications and other records over the years before his arrest offer a window into the vast dimensions of his lucrative international arms-trafficking business. From the volumes of defendant's negotiations, requests, quotations, offers, contracts, invoices, and other documents reflecting his frenetic efforts to profit from the brokering and sale of as many weapons and other munitions as he possibly could, the government below details multiple executed and/or completed deals, as well as several illustrative examples of defendant's other efforts to close illegal arms deals that may or may not have seen fruition.<sup>2</sup>

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<sup>2</sup> This uncertainty as to whether or not particular transactions were completed is because only a fraction of defendant's communications and other business records were available to investigators. Since the government's access was limited to certain email or Skype communications that defendant chose to retain in his email and/or on penetrable devices that he brought to Greece, the investigation essentially cast a beam of light into the dark shadows of defendant's illegal activity, with much of that activity still obscured. In light of defendant's documented penchant for moving sensitive communications to the many encrypted messaging applications that he used, or to telephonic or in-person conversations, those gaps will remain. In addition, due to defendant's and his co-conspirators' reliance on overseas banks and shell companies, the only bank and corporate records available to U.S. law enforcement were those attached to emails that defendant retained.

a. *Defendant's Negotiation and Execution of a Contract to Purchase a Quarter Billion Dollars in Arms and Ammunition*

Throughout the spring of 2015, defendant pursued massive quantities of arms and ammunition to sell to his customer in Libya for hundreds of millions of dollars. **These efforts ultimately led defendant to negotiate and sign a contract to illegally broker \$250,000,000 in munitions, including missiles, rockets, mortars, grenade launchers, sniper rifles, assault rifles, and ammunition, to a militant faction in Libya.**

Defendant's communications reveal his awareness that his customer for this transaction, the Libya Dawn militant faction, was the subject of United Nations sanctions:

- Exhibit 508<sup>3</sup>: Defendant stated: "can you supply Libya... Tripoli EUC." His prospective supplier replied: "Not sure if Libya EUC is even recognized."
- Exhibit 511: Defendant stated: "Ivan. . . was very clear that he can't supply to Libya."

Thus, defendant had difficulty procuring a supplier that would sell to him with an end-user certificate from Tripoli. As one prospective supplier told him, "we know current official Government of Libya is not any more in Tripoli!!!" (Exhibit 502) Defendant thus began to explore ways to covertly mask the ultimate destination of this

---

Nonetheless, given the longstanding relationships between defendant and his repeat suppliers and buyers that endured across multiple transactions, one may reasonably infer that defendant was ultimately able to perform as he promised. Had he not done so, his contacts in the ruthless and lawless world of illegal arms trafficking would have — at a minimum — ceased dealing with him.

<sup>3</sup> References are made herein to Exhibits and Trial Exhibits. Where an exhibit was admitted at trial and is already part of the record, it is referenced as a Trial Exhibit; otherwise, it is referenced as an Exhibit. Copies of all referenced Exhibits are submitted along with this memorandum.

1 illegal shipment of arms and ammunition, specifically by purchasing  
2 an end-user certificate to falsely reflect the ultimate end user:

- 3 • Exhibit 507: Defendant stated: "we are dealing with Tripoli  
4 government and it's very hard now days due to the mix up  
5 between the two sides of Libya. If you can find me a source  
6 from one of those countries not so much attached to UN matter  
7 such as Albania."
- 8 • Exhibit 508: Defendant proposed to a co-conspirator, who had  
9 advised that the Libya end-user certificate would not be  
10 recognized, "Maybe you can give me an offer for the items I  
11 had sent by email using country Belize EUC and also to  
12 support your work Tripoli EUC." The co-conspirator agreed  
13 that they could try this scheme.
- 14 • Exhibit 535: Defendant contacted a prospective supplier and  
15 advised, "we are looking for a good contact with Head of the  
16 army or president in any African countries to help us in the  
17 supply of ammunitions to help us [either] by selling us  
18 directly from their old stock and they buy a new one or help  
19 us in issuing an end user certificate and we will pay. . .  
20 for the service."

21 Defendant continued to pursue a supplier for this large  
22 transaction, which defendant preferred to structure as a contract  
23 encompassing a small "trial" shipment before the much larger full  
24 shipment would be made. At the conclusion of negotiations with the  
25 selected supplier, Quisianto Trading Limited, **defendant and the**  
26 **supplier ultimately signed a contract to broker \$250,000,000 in arms**  
27 **and ammunition** to Libya.

- 28 • Exhibit 516: Defendant's prospective supplier sent  
defendant a draft contract including an annex described as  
a "trial with small quantities." The "small quantities"  
envisioned by this contract consisted of \$17,862,700 in  
anti-tank missiles, rockets, mortars, and ammunition.
- Exhibit 517: Defendant forwarded the draft contract for  
the \$17,862,700 small trial order to his customer in Libya  
was the notation, "This is the correct agreement to be  
signed."



- 1       • Exhibit 518: The end-user certificate from the Libya Dawn  
2 militant faction for millions of rounds of ammunition, tens  
3 of thousands of (each) mortars and rockets, thousands of  
4 missiles, and other munitions listed the supplier as  
5 "Gateway to MENA for Logistics Services, represented by Mr.  
6 Rami Ghanem." The reference number on the end-user  
7 certificate was 8628-57.
- 8       • Exhibit 519-522: Defendant and his customer exchanged  
9 emails wherein the customer amended the quantities of  
10 munitions listed in the end-user certificate.
- 11       • Exhibits 524-530: Defendant contacted several suppliers  
12 with whom he had worked on other illegal arms deals to find  
13 a supplier for the munitions required for this transaction.
- 14       • Exhibits 531-534: A co-conspirator, Tahsin Ammouri,  
15 offered defendant some of the munitions he was seeking and  
16 told defendant that he could send them to Libya. Defendant  
17 expressed doubt that the Tripoli end-user certificate would  
18 be accepted, but Ammouri assured him that it would.  
19 Defendant proposed that a "trial order" include 23mm,  
20 14.5mm, and 127mm ammunition. Defendant contacted his  
21 Libyan client with information about the proposed deal.
- 22       • Exhibit 536-537: Defendant and Ammouri exchanged legal  
23 documentation, including a power of attorney and an  
24 amendment to the end-user certificate.
- 25       • Exhibit 540-541: Ammouri sent defendant an invoice for  
26 \$249,591,800 as the purchase price of the contract; and an  
27 annex reflecting a first delivery of ammunition for  
28 \$26,808,960.
- Exhibit 542: Defendant's customer, the self-styled prime  
minister of the Libya Dawn faction, sent defendant a new  
end-user certificate for ammunition and rockets.
- Exhibit 543: Ammouri sent defendant a draft of the  
contract for listed arms and ammunition at a total purchase  
price of \$249,500,800; and an annex reflecting the "small  
quantity of first trial shipment," for \$4,032,440. The  
contract document and the annex reflected the invoice  
number "8628-57," which is the reference number of  
defendant's Libyan end-user certificate.

- 1 • Exhibit 544: Ammouri sent to defendant a modified version  
2 of the contract reflecting, per defendant's request, a  
3 small trial shipment of \$2,500,000 in ammunition.
- 4 • Exhibit 546: Ammouri sent defendant the "final contract"  
5 containing all amendments as requested by defendant, and  
6 requested that defendant provide his banking details.
- 7 • Exhibit 547: Defendant returned to Ammouri the final  
8 contract for \$250,000,000 in arms and ammunition, with a  
9 trial order for \$2,489,970 in ammunition. Defendant  
10 initialed every page of the contract and signed and stamped  
11 his business seal on the final page.
- 12 • Exhibit 549: Defendant provided his banking details to  
13 Ammouri as required by the contract.
- 14 • Exhibit 550: Ammouri sent defendant the last page of the  
15 signed and stamped quarter-billion contract No. 8628-57,  
16 which contained signatures, business seals, and initials of  
17 both defendant as the buyer of the arms and ammunition and  
18 Alexei Kharlanov of Quisianto Trading Limited as the  
19 seller.

b. *Defendant's Signed Contract to Broker Hundreds of  
Rocket-Propelled Grenade Launchers and Related  
Munitions to Egypt*

Through the fall of 2015, defendant facilitated the supply of  
rocket-propelled grenades and launchers to the Egyptian Ministry of  
Defense. Defendant's negotiations successfully culminated in a  
contract signed just days before his arrest. The contract provided  
for the supplier, Care Transenergy Ltd., to sell 500 RPG-7 rocket-  
propelled grenade (RPG) launchers, 500 PGO-7V optical sights for RPG  
launchers, and related munitions, for a purchase price of \$1,202,500.

- 24 • Exhibit 610: Defendant sent a signed and initialed  
25 contract to his Egyptian business partner. The appendix  
26 listed the above-specified munitions as subject of contract  
27 and purchase price of \$1,202,500.
- 28 • Exhibit 611: Defendant and his supplier discussed sending  
original contract by DHL.



1 As the broker for this contract, defendant received a commission  
2 of hundreds of thousands of dollars.

- 3 • Exhibit 600: The offer defendant received from his  
4 supplier included a 20% commission for defendant's Egypt-  
5 based company.
- 6 • Exhibit 604: Defendant explained to his supplier, "in your  
7 offer you will add our commission" and sent him the  
8 specific procedures for how to do so.

9 This contract may have been another example — like defendant's  
10 quarter-billion dollar ammunition contract and his relatively small  
11 order of munitions to test the undercover agent's capabilities — of  
12 the common practice of preceding massive arms shipments with smaller  
13 test orders. From the initial order and continuing throughout the  
14 course of negotiations, the customer's supply requirements specified  
15 the intended purchase of a much higher volume of RPGs, launchers, and  
16 other munitions.

- 17 • Exhibit 600: Defendant's supplier's initial offer  
18 responded to defendant's request for a proposal for 50,000  
19 PG7V rocket-propelled grenade training projectiles, 28,000  
20 live RPG projectiles, 1,100 RPG launcher sets, and 1350 RPG  
21 optical sights, for a total of €21,335,500.
- 22 • Exhibit 604: In this message thread between defendant and  
23 his supplier, defendant specified requirements for  
24 munitions to include 50,000 training RPG projectiles,  
25 20,000 live RPG projectiles, and tens of thousands of live  
26 RPG heads and fuses.
- 27 • Exhibit 605: Defendant forwarded to his business partner  
28 and co-conspirator the list of munitions referenced in  
Exhibit 604 and specifications therefor.
- Exhibit 606: Defendant forwarded same list of munitions  
and specifications to alternative prospective suppliers.
- Exhibit 608: Defendant's supplier confirmed the  
availability of 50,000 live RPGs and 50,000 fuses. Earlier  
in the thread, an email from defendant's business partner  
specified the customer's initial request for 20,000 live

1 RPGs, 50,000 training RPGs, and 14,000 fuses, and noted  
 2 that due to their contacts with the Egyptian military, no  
 3 other supplier would be chosen if they made a competitive  
 4 offer.

5 *c. Defendant's Shipment of Ammunition to Libya Using*  
 6 *a Fraudulent Malawian End-User Certificate*

7 In June and July of 2015, defendant and his co-conspirators  
 8 prepared to and did ship over a million rounds of ammunition to Libya  
 9 using a fraudulent end-user certificate. Defendant's co-conspirator  
 10 explained that the planes would stop in Lilongwe, Malawi, allegedly  
 11 for refueling, where the ammunition would be offloaded and shipped to  
 12 Misrata, Libya, with the assistance of Malawian officials in exchange  
 13 for a \$90,000 bribe. (Exhibit 565.) Defendant described this method  
 14 of delivery as the "black way." (Exhibit 559.)

- 15 • Exhibits 555-567: This series of emails between defendant  
 16 and his co-conspirator/business partner shows the final  
 17 logistical arrangements for two "fruit planes," each  
 18 bearing an illegal shipment of weapons and ammunition that  
 19 defendant had brokered and sold to his customer in Libya.  
 20 This transaction was accomplished using a fraudulent end-  
 21 user certificate illegally purchased from Malawi for a 6.5%  
 22 portion of the total transaction price, which reflected the  
 23 following arms and munitions (Exhibit 557):

- 24 ○ 40,000 7.62 assault rifles
- 25 ○ 30,000,000 rounds of small-arms ammunition (12.7mm,  
 26 7.62mm, and 14.5mm)
- 27 ○ 1,000,000 rounds of 23mm anti-aircraft ammunition
- 28 ○ 1,500 anti-tank grenade launchers
- 20,000 anti-tank grenades
- 1,500 7.62mm machine guns
- 39,000 mortar shells (60mm, 81mm, and 120mm)

24 Defendant's two "fruit planes" described in these communications  
 25 delivered 247,820 rounds of 23mm and 14.5mm anti-aircraft ammunition,  
 26 126,000 rounds of 12.7mm machine gun ammunition, and 1,355,200 rounds  
 27 of 7.62mm assault rifle ammunition to feed Libya's civil war.  
 28 (Exhibit 566.)

d. *Representative Examples of Defendant's Other  
Illegal Arms Transactions*

The following representative communications illustrate defendant's efforts to broker hundreds of millions of dollars in various munitions beyond the transactions and commodities proven at trial or in the factual basis for defendant's guilty pleas in which he admitted to brokering and conspiring to transfer the many defense articles and defense services charged in the indictment.

(A) Defendant's Brokering of Various Arms and Ammunition to Libya

- Exhibit 510: Pursuant to defendant's request, an Israeli co-conspirator sent defendant pro forma invoices for large quantities of various missiles, rockets, mortars, grenade launchers, assault rifles, and ammunition totaling \$219,615,450.
- Exhibit 515: Defendant sent to a co-conspirator a contract for the purchase of a large volume of missiles, rockets, mortars, launchers, sniper rifles, and varying calibers of ammunition for \$338,183,200.
- Exhibit 502: Defendant negotiated his purchase of ammunition and various other munitions to sell to Libya. The seller's quotation included 160 T-72 battle tanks at a per-unit price of \$250,000.
- Exhibit 504: Defendant forwarded to his customer in the Libya Dawn militant faction specifications and photographs of various types of anti-aircraft ammunition.
- Exhibit 554: **On December 3, 2015 — five days before his arrest** — defendant engaged in negotiations with a co-conspirator to purchase \$800,000 in 23mm anti-aircraft ammunition to sell to his customer in the Libya Dawn militant faction. Defendant promised to be in touch from Athens, where he was ultimately arrested on December 8, 2015.

(B) Defendant's Brokering of M240 Machine Guns to Egyptian Military

- Exhibit 612: In an email thread between defendant and Israeli broker, they discussed defendant's request for 100 U.S.-made M240 machine guns to sell to Egypt. The broker quoted a total price of \$1,227,000.
- Exhibit 613: Defendant advised the Israeli broker that he can provide an end-user certificate, but that "if the country of the seller are from west Europe... it will not fly."
- Exhibit 614: Defendant received paperwork for the sale, including a "Nontransfer and Use Certificate" from the U.S. Department of State requiring certification that the machine guns would not be retransferred.
- Exhibits 615, 616: These exhibits reflect Egypt's request for defendant's proposal to sell M240 machine guns.

(C) Defendant's Brokering of 1,400,000 Rounds of Assault-Rifle Ammunition to the Egyptian Military

- Exhibits 617-625, 634-635, 637: In these communications, defendant negotiated the supply of 1,400,000 rounds of 7.62x52mm linked machine gun cartridges to the Egyptian army, with a 15% commission for defendant.
- Exhibits 627-633: Defendant's communications reflect his negotiation of the supply of large quantities of various arms and ammunition to the Egyptian military, including anti-aircraft guns, mortars, rocket-propelled grenades, machine guns, and assault rifles. After surveying his own suppliers, defendant sent his customer a quotation indicating he had procured 30,000 units of 122mm BM-21 Grad multiple rocket launchers, offered at \$950/unit before defendant's commission; and 10,000 7.62mm AKM assault rifles, each offered at \$175 before defendant's commission. (Exhibit 633)
- Exhibit 638: Defendant solicited an offer to supply 152mm cannons, 23mm and 14.5mm anti-aircraft guns, and SPG-9 anti-tank cannons to a customer in Iraq.
- Exhibits 640-647: Defendant negotiated to supply various arms to the Egyptian armed forces, including 900 machine guns, 20,000 assault rifles, and 500 rocket launchers with

optics. Defendant noted to one prospective supplier that this was a "small tender." (Exhibit 644)

- Exhibit 648: A week before his arrest, defendant detailed his current orders, which included 10,000,000 rounds of ammunition to South Africa, 100 SPG-9 anti-tank guns to Ethiopia, 4,000,000 rounds of automatic rifle ammunition to Iraq, and 4,000,000 rounds of pistol ammunition to Iraq.

*e. Defendant's Offers and Negotiations to Buy and Sell Multi-Million Dollar Combat Aircraft*

Among the defense articles that defendant sought to broker and sell to other countries and militant groups were combat jets and helicopter gunships, which regularly come equipped with heavy armaments. Included in the numerous documents reflecting defendant's negotiations and offers to buy and sell these combat aircraft are the following:

- Exhibit 704: Defendant advised a fellow broker that he was "very interested in the MI 24<sup>4</sup> QTY 2 ready to go."
- Exhibit 707-708: Days later, another co-conspirator advised defendant of the availability of a "second MI-24" helicopter gunship for \$6,150,000. That day, defendant forwarded the specifications and photographs of the MI-24 to his customer in the Libya Dawn militant faction.
- Exhibit 710: Defendant contacted a fellow broker to request a quotation for two MI-24 helicopter gunships "ready to go for operation with full arms."
- Exhibit 714: Defendant's co-conspirator briefed him via email on the state of their "schedule[d] acquisition" of six MIG-29 fighter jets,<sup>5</sup> for which defendant and his co-conspirator had already agreed to pay an "official end price" of between \$8,700,000 and \$9,100,000, with an "unofficial additional price" of \$6,000,000.

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<sup>4</sup> The Mil Mi-24 is a large, Russian-built, helicopter gunship, attack helicopter and low-capacity troop transport.

<sup>5</sup> The Mikoyan MiG-29 is a twin-engine jet fighter aircraft designed in the Soviet Union as an air superiority fighter during the 1970s, to counter new U.S. fighters such as the McDonnell Douglas F-15 Eagle and the General Dynamics F-16 Fighting Falcon.

- Exhibit 736: Pursuant to his request for MI-24 combat helicopters and MiG-29 fighter jets, defendant received a quotation for five MI-24 at \$5,155,000 per helicopter. Defendant replied with interest, asking, "what type of arms does it include?"

2. Financial Records Reflecting Some of the Massive Profits Defendant Gained From the Crimes of Conviction

The evidence gathered during the government's investigation of defendant also includes invoices, bank transfers, and other financial records documenting defendant's extensive brokering of defense articles and services, including the services of mercenary fighters to fight in foreign wars. Many of these records overtly confirm defendant's payments for defense articles and services through 2014 and 2015, including the following:

- Exhibit 800: Invoices from defendant's company to his customer in Libya reflect \$98,000 in helicopter armaments, \$690,000 in salary and fees for L39 attack aircraft operational crew, and \$1,800,000 in salary and fees for an F-1 fighter jet<sup>6</sup> operational crew.
- Exhibit 801: Invoices from defendant's company to his customer in Libya reflect a total of \$3,685,740 in combat aircraft tools and parts and mercenary services.
- Exhibit 802: Emails between defendant and his co-conspirator included business report reflecting payments of \$531,016 on the combat aircraft tools and parts and mercenary services reflected in Exhibit 801.
- Exhibit 803: An email report from defendant's business partner/co-conspirator to defendant reflects expenditures totaling \$68,600 relating to pilots for MIG-25 fighter jets.
- Exhibit 804: Defendant forwarded to his business partner the \$68,600 accounting report in Exhibit 803, but tacked on an additional \$30,000 profit for defendant. Defendant also took the first business partner's \$9,000 estimate for the services of combat aircraft technicians and inflated it by more than 50% before passing it along to the second

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<sup>6</sup> The Dassault F1 is a French fighter and attack aircraft.



business partner. The second business partner replied with a complaint that the resulting total of \$98,600, with additional services for \$15,000, was "expensive."<sup>7</sup>

- Exhibit 805: An email to defendant from his co-conspirator accounted for many hundreds of thousands of dollars in mercenary services provided, and monthly profit for defendant on these transactions.
- Exhibit 806: Invoices to defendant's customer in Libya reflect a total of \$1,106,000 in defense articles and mercenary services.
- Exhibit 807: Invoices to defendant's customer in Libya reflect a total of €346,000 in parts for F-1 fighter jets and \$744,220 in mercenary services.
- Exhibit 808: Invoices to defendant's customer in Libya reflect a total of \$633,000 in defense articles and mercenary services.
- Exhibits 809-810: Emails to defendant from his co-conspirator accounted for hundreds of thousands of dollars in mercenary services provided and related expenses, and monthly profits for defendant on these transactions.
- Exhibit 811: Invoices to defendant's customer in Libya reflect a total of \$2,490,000 in mercenary services for F-1 and L39<sup>8</sup> combat aircrews.
- Exhibit 812: An email to defendant from his co-conspirator accounted for mercenary services provided, and monthly profits for defendant on these transactions.

Other financial records from defendant's communications do not overtly indicate the purchase and sale of defense articles and mercenary services, but rather purport to reflect innocuous transactions for other goods and services. This evidence, which

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<sup>7</sup> Defendant's willingness to siphon tens of thousands of dollars from his closest business partners by adding upwards of 30-50% profit for himself further illustrates his greed and his lack of regard even for those inside his circle of accomplices.

<sup>8</sup> The Aero L-39 Albatross is a Czechoslovakian high-performance jet trainer.

reflects defendant's regular and admitted use of cover documentation to conceal the illicit nature of the weapons and mercenary services in which he trafficked, includes the following:

- Exhibit 813: An email from defendant to his business partner attached two invoices to their customer in Libya. Defendant described the attachments as follows: "one to use as a cover for the money transfer and the 2<sup>nd</sup> one the original invoice for the services." The "cover" invoice purported to reflect the sale of 30 Toyota Hilux trucks for a total of \$744,220. The real invoice reflected the sale of mercenary air crew services and also totaled \$744,220.
- Exhibits 814-815, 816 at red-tabbed page only: Communications between defendant, his bank, and a co-conspirator reflect defendant's receipt and laundering of the \$744,220 referenced in Exhibit 813.
- Exhibit 817: This exhibit shows a new cover invoice to defendant's customer in Libya for \$744,220 purporting to reflect sale of 30 Toyota Hilux trucks, but in fact reflected the sale of three more months of mercenary services.
- Exhibits 819-820: These contemporaneous emails contain two sets of invoices to defendant's customer. The first set purports to reflect the sale of 43 Toyota Hilux vehicles for a total of \$1,623,000. The second reflects the true sale of \$1,623,000 in defense articles, including a guided missile kit for a helicopter gunship, and mercenary services, including a crew of anti-aircraft missile operators.
- Exhibit 821: This invoice to defendant's company purported to reflect the \$335,829 purchase of computer equipment and related services, with a transmittal email to defendant from his co-conspirator explaining that the invoice in fact related to the mercenary services of a MI-24 helicopter gunship crew.
- Exhibit 822: This invoice to defendant's company purported to reflect \$66,099 and \$45,125 purchases of "building construction materials," with a transmittal email to defendant from his co-conspirator explaining that the invoice in fact related to the mercenary services of a MIG-23 fighter jet crew totaling \$111,224.



- 1 • Exhibit 823: This invoice to defendant's company  
2 purported to reflect the \$326,800 purchase of "building  
3 materials," with a transmittal email from his co-  
4 conspirator explaining that the invoice in fact related  
5 to the mercenary services of a MI-24 helicopter gunship  
6 crew.
- 7 • Exhibits 824-826: This cover invoice from defendant's  
8 company to a Libyan customer purported to reflect the  
9 purchase of 27 GMC trucks for a total of \$875,363. Wire  
10 transfer records over the subsequent two days reflect  
11 payment from Libya Dawn militant faction to defendant's  
12 company in the total amount of \$875,363.
- 13 • Exhibits 827-833: Communications over successive days  
14 reflect various iterations of cover invoices to the Libya  
15 Dawn faction for a total of \$972,630, and payment to  
16 defendant's company in that amount. The cover  
17 commodities referenced in this transaction range from GMC  
18 and Toyota Hilux trucks to spare parts to generators to  
19 building materials to construction materials and  
20 scaffolding.
- 21 • Exhibits 834-835: Emails and a cover invoice from  
22 defendant's company reflect the purported sale to the  
23 Libya Dawn militant faction of \$500,000 in Toyota Hilux  
24 trucks, and resulting payment by Libya Dawn in that  
25 amount on that cover invoice.
- 26 • Exhibit 836: Three cover invoices from defendant's  
27 company to the Libya Dawn militant faction reflect a  
28 total amount owed of \$1,690,000, purportedly reflecting  
the purchase of 50 Toyota Land Cruiser trucks.
- Exhibit 837: Cover invoices to defendant's company from  
a co-conspirator shell company purportedly reflect the  
purchase of "building materials and transport services"  
in the amount of \$111,900. The transmittal email to  
defendant from his co-conspirator explained that the  
invoice in fact covered the salaries of mercenary crew  
members of MI-24 helicopter gunships.
- Exhibit 838: A cover invoice to defendant's company from  
a co-conspirator shell company purportedly reflected the  
purchase of "building materials" in the amount of  
\$25,000. By the transmittal email, defendant's co-  
conspirator advised defendant that this invoice covered  
expenses related to mercenary MI-24 crew members.

- 1 • Exhibit 840: Three cover invoices to defendant's company  
2 purportedly reflected the purchase of construction  
3 equipment in the total amount of \$249,159. The  
4 transmittal email advised defendant that these invoices  
covered MI-24 mercenary crew member salaries for two  
months and related expenses.
- 5 • Exhibit 840: A cover invoice to defendant's company  
6 purportedly reflected the purchase of building equipment  
7 in the amount of \$93,500. The transmittal email to  
8 defendant explained that the invoice actually covered  
9 payment for the services of mercenary L39 crew members.
- 10 • Exhibit 841: A cover invoice to defendant's company  
11 purportedly reflected \$33,467 due for the purchase of  
construction materials. The transmittal email to  
12 defendant stated that this invoice covered expenses  
13 related to mercenary MI-24 crew members.
- 14 • Exhibit 842: Three cover invoices to defendant's company  
15 purported to reflect the purchase of \$239,463 in building  
16 equipment. In the transmittal email, defendant's co-  
17 conspirator explained to defendant that the invoices  
18 covered salary and expenses related to mercenary crew  
19 members of L39 and MI-24 combat aircraft.
- 20 • Exhibits 843-844: Two cover invoices to defendant's  
21 company purportedly reflected the purchase of cement  
22 totaling \$240,800. The transmittal email advised  
23 defendant that these invoices covered salaries for L39  
24 and MI-24 combat air crews. A SWIFT bank record reflects  
25 payment to defendant's company on one of these invoices.

26 One set of documents shows particularly clearly defendant's  
27 systematic and methodical use of cover documentation. On May 3,  
28 2015, defendant emailed a contact at a generator company asking for  
updated pricing information on generator equipment. (Exhibit 845)  
The following day, the contact replied with the requested pricing  
information, which defendant emailed to his business partner and co-  
conspirator in the following Word document on May 5, 2015:

S/N	Standard parts	
1.	Generator System 20KW	Blade
2.		Generator
3.		Yaw Shaft
4.	Dumping Load	
5.	Off grid Rectifier / Dumping Controller	
6.	Siemens PLC Controller	
7.	<b>Off grid Inverter (Single-phase)</b>	
8. 6	Guyed tower(12m)	
9. 7	Free Standing Tower(12m)	
10.	with Guyed Tower	
11.	with Free Standing Tower	

(Exhibits 846-47)

Defendant's co-conspirator replied the same day with an email stating, "[a]s you wanted done for all transfers," and attached the following invoice purporting to cover the sale of the generator equipment specified in defendant's earlier email:

Description	Q-ty	Prise	Amount
Generator system 20 KW:			
blade	8	2520 USD	20160 USD
generator	8	2850 USD	22800 USD
Yaw shaft	8	2800 USD	22400 USD
Dumping Load	7	2130 USD	14910 USD
Off grid Rectifier / Dumping Controller	11	2655 USD	29205 USD
Siemens PLC Controller	9	5240 USD	47160 USD
Off grid Inverter (Single-phase)	18	1560 USD	28080 USD
Guyed tower(12m)	14	3420 USD	47880 USD
Free Standing Tower(12m)	9	2755 USD	24795 USD
with Guyed Tower	10	1580 USD	15800 USD
with Free Standing Tower	11	1710 USD	18810 USD
Total: <b>Payment for building materials/equipment acc contr11/15 dd 02.02.15</b>			<b>292 000 USD</b>

(Exhibit 848)

Additional invoices and communications between defendant and his co-conspirator make use of these same generator commodities as cover items and reflect money transfers on those cover invoices. (Exhibits 849-862) Many of those invoices and communications further clarify that the cover terms mask the true nature of mercenary services. (See, e.g., Exhibit 855 describing the cover invoice as for ("the new L39 salary for 5<sup>th</sup> month"); Exhibit 858 ("attached invoice for L39"), Exhibit 859 ("L39 Invoice"); Exhibit 861 ("Invoice Renault + L"); Exhibit 862 ("L39 + F")<sup>9</sup>; Exhibit 850 (referencing a team of F-1 pilots that defendant procured from Ecuador))

<sup>9</sup> Defendant's communications reveal that he brokered the mercenary services of combat pilots and crew members for the F-1 fighter jet.

While the evidence — including defendant's own words — shows that he was driven by greed, defendant also took a personal interest in the destruction wrought by some of the mercenaries whom he sent into combat. In one message exchange with an F-1 fighter pilot operating in Libya, defendant requested information about a particular air attack, and the pilot replied with a report that the "main target [was] destroyed in Sirte" with a single bomb and gunfire. Defendant praised the pilot's successful offensive operation and gave him a "thumbs up" emoji. (Exhibit 735)

On the basis of that and other evidence, Counts One and Two of the FSI charged defendant with conspiracy to violate the Arms Export Control Act and unlawful brokering of weapons. In pleading guilty to those counts, defendant admitted to brokering and conspiring to transfer the following items:

Commodity
12.7-millimeter NSVT machine guns
7.62-millimeter AKS assault rifles
7.62-millimeter AKM assault rifles
7.62-millimeter PKM medium machine guns
7.62-millimeter SVD sniper rifles
Sniper rifles
CZ-999 pistols 9-millimeter pistols
Glock 9-millimeter pistols
AK-47 assault rifles
Dragonov sniper rifles
14.5-millimeter KPVT machine guns
60-millimeter mortar shells
81-millimeter mortar shells
120-millimeter mortar shells
7.62 x 39-millimeter ammunition
Ammunition
23-millimeter ammunition
Zsu-23-2 23-millimeter ammunition
5.56 x 45-millimeter ammunition

Commodity
BS-41 14.5-millimeter ammunition
9 x 19-millimeter ammunition
Zsu-57-2 57-millimeter anti-aircraft ammunition
M51 37-millimeter anti-aircraft armor-piercing capped trace
7.62 x 39-millimeter ammunition
7.62 x 54-millimeter ammunition
7.62 x 54-millimeter BKC ammunition
12.7 x 108-millimeter ammunition
Dishka 127 x 108-millimeter ammunition
14.5 x 114-millimeter ammunition
23 x 152-millimeter ammunition
D20 152-millimeter tank rounds
M48 76-millimeter tank rounds
D30 122-millimeter towed howitzer heat tank rounds
12.7 x 108-millimeter ammunition
RPG-7 anti-tank rocket-propelled grenade launcher
Kornet anti-tank guided missile launchers
Kornet anti-tank guided missiles
Igla 9K38 surface-to-air missile launchers
Igla 9K38 surface-to-air missiles
MI-24 rocket launchers
57-millimeter rockets
80-millimeter rockets
122-millimeter S-13T rockets
122-millimeter S-13 OF rockets
130-millimeter rockets
240-millimeter rockets
GRAD 122-millimeter rockets
122-millimeter GRAD rocket launcher
107-millimeter GRAD rocket launcher
RPG-7 HEAT rounds
AT-2 Swatter guided missiles
AT-6 Spiral missiles
Konkurs anti-tank missile launchers
Konkurs anti-tank missiles
AGS-17 30-millimeter grenade launchers
Anti-tank grenade launchers RPG-7
Anti-tank grenades PG-7V
Fagot 9K111 anti-tank guided missile launchers
Fagot 9M111 anti-tank guided missiles



Commodity
M70 Osa 90-millimeter anti-tank guided missile launchers
M79 Osa 90-millimeter anti-tank guided missile launchers
9M133 Kornet (Konkurs) anti-tank guided missile launchers including tripods and thermal sights
9M133 Kornet (Konkurs) anti-tank guided missiles
85-millimeter RPG-7 anti-tank launcher including telescopic sight
PG-7VL 85-millimeter HEAT projectiles
SKIF anti-tank guided missile launchers
SKIF anti-tank guided missiles
Strela surface-to-air missile launchers
Strela surface-to-air missiles
M79 Osa RBR 90-millimeter anti-tank guided rocket launchers
M79 Osa RBR 90-millimeter anti-tank guided rockets
M79 Osa RBR 90-millimeter anti-tank guided rocket tubes
9M151 Metis-M anti-tank guided missile launchers
9M131 Metis-M anti-tank guided missiles
Metis-M tripod launchers
Konkurs tripod launchers
9P163-1 Kornet tripod launchers
PG-7VLT tandem-charge anti-tank warheads
PG-7VR 85-millimeter HEAT tandem projectiles
Shershen-D anti-tank guided missile launchers
Shershen-D anti-tank guided missiles
Spare parts for T-72 battle tanks
Spare parts for BTR-80 amphibious armored personnel carriers
MI-24 attack helicopters
MIG-29 fighter jets
Operators for Igla surface-to-air missile launchers
Technicians for Igla surface-to-air missile launchers
Trainers for Igla surface-to-air missile launchers
Special forces fighters
MI-24 attack helicopter pilots
L39 attack aircraft pilots
F-1 fighter jet pilots
MIG-25 fighter pilots
PVS-27 night-vision weapon sight
MI-24 night-vision equipment
Shershen-D thermal sights
Shershen-D PN-S combat module guidance devices
1PBN86-VI Metis-M thermal sights

Commodity
Konkurs thermal sights
1PN79-1 Kornet thermal sights

**D. Defendant's Conspiracy to Use and to Transfer Anti-Aircraft Missiles**

Searches of defendant's digital devices and his email account yielded copious evidence that, between 2013 and 2015, defendant conspired to transfer and to use anti-aircraft missiles. Based on that evidence, Count Three of the FSI charged defendant with violating 18 U.S.C. § 2332g.

The evidence at trial included numerous written communications reflecting defendant's conspiracy to use, buy, sell, and transfer many hundreds of anti-aircraft missiles, including highly sophisticated vehicle-borne systems capable of tracking and destroying an airplane hundreds of miles away; agile man-portable systems that were easily transferred and simple to use; and stationary missile systems capable of launching multiple warheads. It further included representative bank records showing a snapshot of the money that changed hands in defendant's various illegal arms and mercenary transactions.

In addition to defendant's efforts to transfer surface-to-air missiles, defendant also conspired to use surface-to-air missiles. Specifically, the evidence showed that defendant engaged in and profited from multiple transactions involving the provision of mercenary anti-aircraft missile specialists to shoot down airplanes over Libya. That evidence included many of defendant's own communications on those transactions, and those documents were corroborated by the video-recorded testimony of three co-conspirators



1 involved in one such deal. Specifically, the government offered the  
2 recorded testimony of two anti-aircraft missile operators and a  
3 fellow arms broker who participated in one of defendant's many  
4 illegal deals and to whom defendant offered a \$50,000 bonus if they  
5 were successful in shooting down an airplane.

6 These specialists, who were desperate enough to risk their lives  
7 fighting in a bloody civil war on another continent, received a  
8 relative pittance for their services, while defendant pocketed  
9 several times what the mercenaries themselves were promised.

10 (Compare Trial Exhibit 426 (defendant allocated \$50,000 total for  
11 three Quadrat surface-to-air missile specialists for Libya), with  
12 Trial Exhibits 819-820 (defendant charged his Libyan customer  
13 \$185,000 for services of the same Quadrat surface-to-air missile  
14 crew)) One of the Igla missile operators whose recorded testimony  
15 was shown at trial, Zurab Partsakhashvili, testified that he needed  
16 the money from this mercenary job to pay for his child's cancer  
17 surgery. Another missile operator, Gia Devidze, testified that he  
18 needed the money to address his family's desperate financial  
19 situation. Both missile operators testified that they received only  
20 a small portion of the money they were promised — which was itself a  
21 meager fraction of the money that defendant and his fellow brokers  
22 pocketed from the missile operators' risk and labor. (See also Trial  
23 Exhibits 819-20; Trial Exhibit 422 (as defendant and his co-  
24 conspirator discuss the allocation of defendant's funds and where to  
25  
26  
27  
28

find an additional \$9,000, the co-conspirator advised that they could "deduct" it from the money paid to the missile operator))<sup>10</sup>

### III. GOVERNMENT'S SENTENCING POSITION AND RECOMMENDATION

#### A. Sentencing Guidelines Calculations

##### 1. The Applicable Guidelines

The applicable guidelines section for Counts 1 (Arms Export Control Act) and 2 (Smuggling) of the Indictment and Counts 1 (Conspiracy) and 2 (Arms Export Control Act) of the First Superseding Indictment is USSG 2M5.2. The applicable guidelines section for Counts 3 and 4 (Money Laundering) of the Indictment is USSG 2S1.1. The applicable guidelines section for Count 3 (Conspiracy to Use and to Transfer Missile Systems Designed to Destroy Aircraft) of the FSI is USSG 2K2.1.

On April 1, 2019, defendant filed objections to the PSR, including an objection to the grouping of the missile offense with the other crimes. The prosecution does not object to defendant's request for the offenses not to group. Should the Court follow defendant's request not to group the offenses, the government submits that the following Sentencing Guidelines should apply:

##### Group 1 (anti-aircraft missiles)

Base Offense Level	18	[USSG § 2K2.1(a)(5)]
Offense involving missiles	+15	[USSG § 2K2.1(b)(3)(A)]

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<sup>10</sup> Other aggravating examples of defendant's underhanded and deceitful business practices abound. As another illustration of his willingness to take advantage of the desperate mercenaries who were risking their lives to line defendant's pockets, defendant deliberately crafted his mercenary contracts to be governed by the laws of Serbia — a country with no nexus to defendant, the work, or the mercenaries — for the express reason that Serbian law made it illegal to work as a mercenary, and thus no one would ever be able to challenge the contract in court. (See e.g. Exhibits 723, 728)

More than 200 missiles +10 [USSG § 2K2.1(b)(1)(E)]

Total offense level 43

Group 2 (other arms trafficking offenses and money laundering)

Base offense level 26 [USSG § 2M5.2(a)(1)]

Money laundering +2 [USSG § 2S1.1(b)(2)(B)]

Total offense level 28

2. Government's Response to Defendant's Objections to the PSR

On April 1, 2019, defendant filed objections to the PSR. The following are defendant's remaining objections<sup>11</sup> and the government's responses thereto.

*a. Objection to Paragraphs 13 through 26 of the PSR*

Defendant objects that the part of the PSR describing defendant's Offense Conduct should be limited to the factual basis in his guilty plea to Counts One through Four of the Indictment and Counts One and Two of the FSI, because defendant maintains his innocence to Count Three of the FSI. This objection is meritless. Defendant's guilt on Count Three of the FSI was determined by a jury, and the USPO would have been delinquent in its duty to prepare a report to assist the Court at sentencing had it not specified all of the conduct for which defendant has been adjudged guilty. Moreover, the Court is not limited to the very narrow facts selected by defendant in his admissions of guilt to the first six counts, but must broadly consider the nature of the offense, the history and

<sup>11</sup> In addition, defendant raised other objections, which are discussed below.

1 characteristics of defendant, and other factors in determining an  
2 appropriate sentence. See 18 U.S.C. § 3553(a).

3 *b. Objection to Paragraphs 38 through 59*

4 Defendant objects to the application of the 10-level increase  
5 under USSG 2K2.1(b)(1)(E) on the grounds that the offense involved  
6 "only two surface-to-air missiles" and he did not agree to sell, nor  
7 did he have available, 200 or more surface-to-air missiles. The  
8 evidence admitted at trial disproved defendant's claim.

9 Citing to a communication in which defendant offered to sell 400  
10 surface-to-air missiles which were "available for immediate  
11 shipment," the PSR accurately concludes that a ten-level increase is  
12 warranted because the offense involved 200 or more missiles. Id.  
13 ¶ 44. With respect to the number of anti-aircraft missiles involved  
14 in defendant's offense, the following additional evidence from trial  
15 is further illuminating:

- 16 • Exhibit 312: A list of weapons provided by defendant to a  
17 co-conspirator in October 2013 for transfer to defendant's  
18 customer in Erbil, Iraq, included "30 + 300" Igla 9K38  
surface-to-air missiles.
- 19 • Exhibit 316: On July 3, 2014, defendant offered to sell 95  
20 Igla surface-to-air missiles to a customer in Iraq at  
\$88,300 each.
- 21 • Exhibit 318: On July 30, 2014, defendant offered to sell to  
22 the Ministry of Defence in Saudi Arabia 400 Strela surface-  
23 to-air missiles at \$75,830 each and 95 Igla surface-to-air  
missiles at \$77,375 each
- 24 • Exhibit 329: On December 23, 2014, defendant emailed with a  
25 co-conspirator about the transfer of 25 Osa surface-to-air  
26 missiles and one Pechora surface-to-air missile system to  
defendant's customer in Libya.
- 27 • Exhibits 334-344: These exhibits include defendant's  
28 January 2015 communications with co-conspirators involving  
an end-user certificate that reflects defendant's role as

the supplier of 50 Igla 9M313 surface-to-air missiles to a militant faction in Libya, and an ultimate payment by defendant relating to weapons listed on that end-user certificate.

- Exhibit 346: This communication from defendant to a co-conspirator discussed the prospective sale of a variety of weapons and munitions including 500 Igla 9M342 surface-to-air missile systems, 1500 ground power units for Igla systems, and 20 launcher mechanisms for Igla systems.
- Exhibit 349: This communication from defendant to a co-conspirator identified a large volume of weapons and ammunition intended for use in an end-user certificate "for our agreed country," including "6 Anti-air Defence System with Missile".<sup>12</sup>

Accordingly, as found by the USPO, defendant's offense involved well over 199 missiles, justifying the ten-level increase prescribed by U.S.S.G. § 2K2.1(b)(1)(E).

*c. Objection to Paragraphs 60-61*

Defendant objects to the facts reflecting his involvement in the trade of black-market uranium and counterfeit currency on the ground that no related evidence was presented at trial. The government intends to offer evidence of these facts at the sentencing hearing, including by the exhibits attached hereto and through the foundational testimony of HSI Special Agent Matthew Peterson.

**B. The Court Should Impose a Sentence Including a Prison Term of More Than 25 Years Based on the Factors in 18 U.S.C. § 3553(a)**

1. Nature, Circumstances, and Severity of the Offenses

Missile systems designed to destroy aircraft, like those defendant conspired to transfer and use, are governed by a separate

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<sup>12</sup> For purposes of this summary, the government cites to unique references to anti-aircraft missiles and does not include the many instances in which the same or a similar list was circulated to multiple parties.

1 statute with a 25-year mandatory minimum sentence because they are  
2 extremely dangerous and devastatingly effective. Some, like the  
3 shoulder-fired versions included in defendant's portfolio, are highly  
4 portable, easily smuggled across borders, relatively inexpensive,  
5 easy to fire, effective at a range of altitudes, and readily  
6 transferrable among militant groups who may use them against both  
7 military and civilian targets to further their political or  
8 ideological goals. Even in the absence of the mandatory minimum  
9 applicable in this case, a prison term of more than 25 years is  
10 warranted.

11 At the sentencing hearing, if permitted by the Court, the  
12 government intends to offer testimony from an expert in surface-to-  
13 air missiles detailing the dangers that illegal proliferation of  
14 these weapons presents to civilian aircraft, as well as to U.S.  
15 military targets. That testimony will include unclassified  
16 information regarding historical uses of anti-aircraft missiles  
17 against civilian targets, including commercial airliners. As the  
18 legislative history of 18 U.S.C. § 2332g shows, Congress expressly  
19 recognized in enacting this statute that anti-aircraft missiles are a  
20 serious threat to commercial aviation that carry the potential to  
21 easily kill vast numbers of people. See, e.g., 150 Cong. Rec.  
22 S11939-01, 150 Cong. Rec. 150 Cong. Rec. S11939-01, 150 Cong. Rec.  
23 S11939-01, S11997, 2004 WL 2812449 ("MANPADS are portable,  
24 lightweight, surface-to-air missile systems designed to take down  
25 aircraft. Typically they are able to be carried and fired by a  
26 single individual. They are small and thus relatively easy to  
27 conceal and smuggle. A single attack could kill hundreds of persons  
28 in the air and many more on the ground."); id. at S11998-99 ("A 2000



1 State Department report stated that 'one of the leading causes of  
 2 loss of life in commercial aviation worldwide has been from MANPADS .  
 3 . . attacks, with over 30 aircraft lost.' According to a  
 4 Congressional Research Service report issued last year, there have  
 5 been at least 36 known missile attacks on commercial planes in the  
 6 last 25 years; 35 of those incidents took place in war-torn areas,  
 7 mainly in Africa.")

8 Details on many past incidents in which commercial airliners  
 9 were targeted, often successfully, by anti-aircraft missiles are  
 10 available on open-source media.<sup>13</sup>

11 Further compounding defendant's prolific activities relating to  
 12 the transfer and use of anti-aircraft missiles, his conduct is also  
 13 aggravated by the sheer volume of other weapons and ammunition in  
 14 which defendant trafficked over the years. Beyond anti-aircraft  
 15 missiles, defendant's trade included bulk quantities of anti-tank  
 16 missiles, rockets, mortars, grenades, and the launchers therefor;  
 17 machine guns of various sizes; sniper rifles, assault rifles,  
 18 pistols, and other small arms; night-vision equipment and other  
 19 sensitive military technology; attack aircraft; tanks, radar systems;  
 20 mercenary fighters; and many millions of rounds of ammunition. The  
 21

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22 <sup>13</sup> See, e.g.,  
 23 [https://www.washingtonpost.com/posteverything/wp/2014/07/18/missiles-](https://www.washingtonpost.com/posteverything/wp/2014/07/18/missiles-are-now-so-advanced-that-its-amazing-more-planes-havent-been-shot-down/?utm_term=.e14a9b1e3b88)  
 24 [are-now-so-advanced-that-its-amazing-more-planes-havent-been-shot-](https://www.washingtonpost.com/posteverything/wp/2014/07/18/missiles-are-now-so-advanced-that-its-amazing-more-planes-havent-been-shot-down/?utm_term=.e14a9b1e3b88)  
 25 [down/?utm\\_term=.e14a9b1e3b88](https://www.washingtonpost.com/posteverything/wp/2014/07/18/missiles-are-now-so-advanced-that-its-amazing-more-planes-havent-been-shot-down/?utm_term=.e14a9b1e3b88) (last accessed May 5, 2019) (attached as  
 26 Exhibit 1100); [https://nypost.com/2014/07/23/missiles-threaten-](https://nypost.com/2014/07/23/missiles-threaten-civilian-planes-all-over-the-world/)  
 27 [civilian-planes-all-over-the-world/](https://nypost.com/2014/07/23/missiles-threaten-civilian-planes-all-over-the-world/) (last accessed May 5, 2019)  
 28 (attached as Exhibit 1101);  
 29 [https://www.nytimes.com/2018/05/24/world/europe/russia-malaysia-](https://www.nytimes.com/2018/05/24/world/europe/russia-malaysia-airlines-ukraine-missile.html)  
 30 [airlines-ukraine-missile.html](https://www.nytimes.com/2018/05/24/world/europe/russia-malaysia-airlines-ukraine-missile.html); [http://time.com/3002171/malaysia-](http://time.com/3002171/malaysia-airlines-ukraine-crash-airliners-shot-down/)  
 31 [airlines-ukraine-crash-airliners-shot-down/](http://time.com/3002171/malaysia-airlines-ukraine-crash-airliners-shot-down/) (last accessed May 5,  
 32 2019 (attached as Exhibit 1102);  
 33 [https://en.wikipedia.org/wiki/List\\_of\\_airliner\\_shootdown\\_incidents](https://en.wikipedia.org/wiki/List_of_airliner_shootdown_incidents)  
 34 (last accessed May 5, 2019 (attached as Exhibit 1103)).

1 sheer scope and volume of these brokering activities underscores  
2 defendant's own professed willingness to sell anything, anywhere, to  
3 anyone.

4 This is not a regulatory offense. Defendant did not merely  
5 neglect to register as an arms broker or as a missile salesman. U.S.  
6 law regulates the brokering and transfer of weapons by U.S. citizens  
7 even overseas because those transfers threaten U.S. and allied forces  
8 abroad, upset the balance of strategic alliances, and otherwise  
9 compromise U.S. national interests. Moreover, U.S. law implements  
10 the nation's international commitments, including, as is specifically  
11 applicable in this case, the nation's commitment to enforce a United  
12 Nation's arms embargo on Libya during the bloodiest days of that  
13 country's ongoing civil war. It is not the prerogative of private  
14 citizens to decide which governments and militant factions around the  
15 world to arm with missiles and tanks and machine guns and fighter  
16 jets. Defendant knew that his black-market weapons business was  
17 illegal, which explains his regular practice of using cover  
18 documentation to mask the true nature of the illicit weapons in which  
19 he dealt.

20 2. History and Characteristics of the Defendant

21 a. *Defendant's Motive of Greed and Wanton Disregard*  
22 *for Human Life*

23 Unlike some missile-trafficking defendants charged in other  
24 cases who were motivated by ideology, defendant is a true mercenary.  
25 As is abundantly clear from the global breadth of his vast market,  
26 and as he stated in his own words, his motive for trafficking in  
27 massive quantities of devastating weapons and ammunition across the  
28 globe was simple greed.



1 In recorded conversations with the undercover agent, defendant  
2 displayed a chilling indifference to the heavy human cost of the  
3 arms-trafficking business that lined his pockets. The night before  
4 his arrest, defendant explained that he engaged in willful blindness  
5 about where the deadly weapons from which he profited were used, and  
6 against whom. (Exhibit 1104 at 50-52) Defendant noted that he did  
7 not want to knowingly be a part of killing civilians — or at least  
8 of "Arab refugees" — but with the notable caveat that if he sold  
9 weapons to Saudi Arabia and Saudi Arabia then transshipped his  
10 weapons for use in armed conflicts in Yemen and Syria that involved  
11 heavy civilian casualties, "that's their business." Id. As  
12 defendant summarized it, "That's my rules on Saudi Arabia." Id.<sup>14</sup>  
13 Defendant chose to operate by those "rules" when selling and  
14 brokering countless machine guns and mortars and automatic rifles  
15 across the globe. That defendant equally applied these "rules" to  
16 weapons as dangerous to civilian targets and as coveted by terrorist  
17 groups as man-portable anti-aircraft missile systems is additional  
18 aggravating evidence justifying a strong sentence.

19 On the morning of his arrest, defendant described an enthusiasm  
20 for war that doubtless was not shared by those bearing the bloody  
21 brunt of his illegal weapons proliferation in war-torn corners of the  
22 world. In the hours before his arrest, defendant had this to say:

23 I wake up every day in the morning. First two things I do  
24 at the same time, coffee, the cigarette is ready. I go to  
25 the TV and press on the news. I go on news. If there is  
26 peace I go [to sleep], if there is war I wake up. I'm  
happy. There is more business for me. It doesn't matter  
where is the business, where is the war. Even if it's in

27 <sup>14</sup> At the sentencing hearing, the government intends to play the  
28 recording of these and other statements by defendant referenced  
herein. For each, the transcript is attached hereto for the Court's  
convenience.

1       Haiti I will fly there. I love war because it's business,  
2       you know.

3       (Exhibit 1105.)

4                   *b. Defendant's Relevant Conduct*

5                   (A) Defendant's Pursuit of Black-Market Uranium

6       During the course of defendant's charged arms-trafficking  
7       activities, he was also involved in the trade of black-market  
8       uranium, a critical component in the development of nuclear weapons  
9       and dirty bombs. In a text exchange beginning on June 4, 2015,  
10      defendant engaged in the following conversation:

11       Jayjay:           Will you be interested in uranat in Niger  
12                        . . . I mean uranium.

13       Defendant:       Yes but the French are controlling it in  
14                        Niger and I have somebody from China.

15       Jayjay:           This from black market. It will be suplied  
16                        outside Niger. The people are here in Benin.  
17                        It is very serious. Think about . . . . The  
                          people doing are also from Niger. They are  
                          very powerfull

18       Defendant:       I don't understand are you selling the uranium or  
19                        are you offering the mining opportunity

20       Jayjay:           It is selling business in the black not  
21                        officially. But the minister of mines is  
                          involved, top secret.

22       Defendant:       How much per M/Ton<sup>15</sup>

23       Jayjay:           I do not know yet since I did not know whether  
24                        you might be interested. Now that you make me  
                          know, i will find out and come back to you.

25       Defendant:       Soon while i am in China

26       Jayjay:           OK sir

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28       <sup>15</sup> The term "M/Ton" appears to refer to "metric tonne," a unit  
commonly used to measure a quantity of uranium.

1 . . .

2 Defendant: Any news about uranium?

3 (Exhibit 1106) Moreover, defendant's known interest in the black-  
4 market trade of uranium dates back to 2012, when he sent a message to  
5 a co-conspirator reporting that "900 g of Uranium the free army of  
6 Syria trying to move it in exchange for arms." (Exhibit 1107)

7 Defendant's pursuit of black-market uranium is deeply troubling.  
8 According to one notable nuclear expert: "There's no plausible reason  
9 for looking for black-market uranium other than for nuclear weapons—  
10 or profit, by selling to people who are looking to make nuclear  
11 weapons."

12 [https://www.usatoday.com/story/news/world/2012/12/10/georgia-nuke-  
14 investigations/1757963/](https://www.usatoday.com/story/news/world/2012/12/10/georgia-nuke-<br/>13 investigations/1757963/) (last accessed May 5, 2019) (attached as  
15 Exhibit 1108). This related conduct exemplifies defendant's own  
16 professed lack of regard for the potentially catastrophic  
17 consequences of his illegal weapons-proliferation activities, and his  
18 acknowledged interest in profit at the expense of human life and  
19 safety. It serves as a particularly strong aggravating factor in  
20 this case.

21 (B) Defendant's Counterfeit Currency Operations

22 Possibly to fuel his illegal weapons-trafficking business, or  
23 perhaps as another means to obtain easy illicit profits, the evidence  
24 suggests that defendant engaged in lucrative counterfeit currency  
25 operations during the time of the charged conduct. In the spring of  
26 2014, defendant gave one of his business partners his detailed,  
27 seasoned advice on the mechanics of counterfeiting:

28 (Co-Conspirator): I have a Buyer that is interested to  
buy USD and old Deutsch Marks that are still  
on the full sheets of paper, not cut. . . .

1 This full sheets of USD had been delivered  
2 to Iran, Irak (sic) long time ago and still  
3 not used. But, my opinion is, if you ask  
4 the right powerful people in these  
countries, they will tell you a lot more  
about where to find them.

5 Defendant: your friend is looking for the papers which he  
6 can change it to Euro & Dollars

7 (Co-Conspirator): Uncut sheets of USD, nominal can be \$20,  
8 \$50, \$100

9 Defendant: It's a white pepper<sup>16</sup> money note each one is the  
10 same size of the 500 Euro other ones same size of  
11 the 100 Euro also we have the one for the 100  
12 USD, if you look at it through the light you will  
be able to see the serial number like a shadow .  
13 . . . you add chemicals to it and you use  
original money to copy the exact shape each 1  
(500 Euro makes 2 more of the white one)

14 (Exhibit 1109)

15 Multiple photographs obtained from court-authorized searches of  
16 defendant's digital devices depict bulk quantities of \$100 bills,  
17 €200 notes, and €500 notes. (Exhibits 1110-1114)

18 (C) Defendant's Pursuit of a Counterfeit  
19 Passport

20 For several months in 2015, during the offense conduct and  
21 shortly before his arrest, defendant acquired a sophisticated  
22 counterfeit Ukrainian travel document using a false name, false date  
23 of birth, a false marriage, and false parentage in order to conceal  
24 and facilitate his illegal conduct and obscure his true identity.  
25 Moreover, defendant separately explored the possibility of obtaining,  
26 for \$20,000, a biometrically enabled passport. The evidence includes  
27 documents reflecting the following:

28 <sup>16</sup> This presumably refers to "white paper." All quotations from  
exhibits are verbatim, including spelling and typographical errors.

- Exhibit 1115: On July 2, 2015, defendant and his business partner Sergiu Banari (referenced in the First Superseding Indictment ("FSI") as Unidentified Co-Conspirator #3) engaged in a text exchange in which Banari provided the following verbatim price list for defendant's fraudulent document:

Only international - 12,000\$

Only international biometric 13500\$

Full complete your name: international + local = - 15000\$

Full complete new name. = 20000\$

- Exhibit 1116: Shortly thereafter, Banari reported to defendant the "best news in the world" that defendant "will have your new P..." by the end of August, and advised defendant to "choose your name, or if you want I can do it."
- Exhibit 1117: On July 3, 2015, Banari advised defendant by email that defendant's fictitious identity would include the false name "Roman Tarasovici Boico," a made-up mother's name "Hristina Nicolaevna Kostiu," and a made-up father's name "Taras Vasilievic Boico." Defendant replied that he would "have to go back to school to remember those names."
- Exhibit 1118: On July 4, 2015, Banari told defendant that his Ukrainian contacts recommended that defendant choose a fictitious Arabic name, and manufacture a fictitious Ukrainian marriage, to account for defendant's inability to speak the native language. Defendant replied with a "thumbs up" emoji and told Banari that defendant sent the names to him.
- Exhibit 1119: That day, defendant sent Banari an email with the subject header "Name." The text indicated the name defendant had chosen for his fraudulent travel document as "Rony Youssef Karam." It further indicated false names for defendant's mother and father and a false date of birth.
- Exhibits 1120-21: On September 10, 2015, Banari texted defendant asking him to send a "very simple signature according to the name we choose: Rony Youssef Karam." Defendant replied with photographs of several different handwritten signatures reflecting his fictitious name. The same day, defendant also sent Banari an email entitled "Hello from Roney" with an attachment of one of his signatures using the false name.

- Exhibit 1122: On October 25, 2015, Banari sent defendant an email forwarding defendant's fraudulent certificate of marriage and fraudulent certificate to receive internal passport.
- Exhibit 1123: On October 27, 2015, Banari sent defendant a scanned copy of defendant's new false Ukrainian travel document bearing defendant's photograph and the fictitious name and date of birth that defendant selected.

Defendant's willingness to go to substantial lengths to obtain this fraudulent travel document in order to facilitate and conceal his criminal activity further aggravates that criminality.

(D) Defendant's Involvement in Other Illegal Activity

Defendant's fortune-seeking also led him to pursue deals involving other illegal commodities, including looted antiquities, which draw can massive profits on the black market. Defendant's digital devices contained multiple photographs of apparent antiquities, including a photo of defendant holding an artifact next to a dated newspaper — a common practice for establishing proof of possession on a particular date. (Exhibit 1124). Antiquities looting is frequently concentrated in areas of armed conflict, and the black-market traffic in cultural artifacts is often closely linked to financing those conflicts and arming combatants. See, e.g., Fabiani, Michelle D., "Disentangling Strategic and Opportunistic Looting: The Relationship between Antiquities Looting and Armed Conflict in Egypt," MDPI, June 14, 2018, last accessed February 12, 2019, <https://www.mdpi.com/2076-0752/7/2/22/pdf> (attached as Exhibit 1125); see also Pineda, Sam, "Tackling Illicit Trafficking of Antiquities and its Ties to Terrorist Financing," Dipnote, U.S. Department of State Official Blog, June 20, 2018, last



1 accessed February 12, 2019,  
2 [https://blogs.state.gov/stories/2018/06/20/en/tackling-illicit-](https://blogs.state.gov/stories/2018/06/20/en/tackling-illicit-trafficcking-antiquities-and-its-ties-terrorist-financing)  
3 [trafficcking-antiquities-and-its-ties-terrorist-financing](https://blogs.state.gov/stories/2018/06/20/en/tackling-illicit-trafficcking-antiquities-and-its-ties-terrorist-financing) (attached as  
4 Exhibit 1126).

5 Evidence from defendant's digital devices and email account also  
6 demonstrates his involvement in the black-market trafficking of  
7 diamonds and his use of diamonds to mask and fund illegal arms  
8 transactions. This evidence includes a September 29, 2015 email to  
9 defendant from a South Africa entity known as AA Diamonds attaching a  
10 quote for sniper rifles, pistols, silencers, and ammunition.

11 (Exhibit 863) The following day, on September 30, 2015, defendant  
12 received another email from AA Diamonds with specifications for four  
13 MI-24V helicopter gunships, fully armed with GSH-23L aircraft guns,  
14 machine guns, submachine guns, pistols with silencers, and other  
15 armaments. (Exhibit 864.) On October 9, 2015, defendant forwarded  
16 to his business partner an invoice from AA Diamonds purportedly  
17 reflecting the purchase of a 4.7-carat polished diamond for \$200,000,  
18 and a November 5 email to defendant from his business partner  
19 contains a SWIFT record of the transfer of \$20,000 from their company  
20 to AA Diamonds as a down payment on that invoice. (Exhibits 865-66.)

21 On October 10, 2015, in a call with the undercover agent, defendant  
22 confirmed that he was involved in laundering diamonds from South  
23 Africa for arms, saying that "I can change diamonds to dollars."

24 (Exhibit 1127) Defendant's involvement in these illegal activities  
25 is further corroborated by a photograph stored on defendant's digital  
26 devices depicting a very large, uncut diamond. (Exhibits 1128-1130)  
27 Black market diamonds are another lucrative commodity closely linked  
28 to the fueling and financing of armed conflicts and the illegal



1 proliferation of weapons and munitions. See, e.g., "The Role of  
2 Diamonds in Fuelling Conflict," United Nations General Assembly  
3 A/71/L.55, January 27, 2017, last accessed February 12, 2019,  
4 [https://digitallibrary.un.org/record/858195/files/A\\_71\\_L-55-EN.pdf](https://digitallibrary.un.org/record/858195/files/A_71_L-55-EN.pdf)  
5 (attached as Exhibit 1131).

6 *c. Defendant's False Statements to USPO*

7 Even in the wake of his strategic eleventh-hour guilty pleas and  
8 his conviction at trial, defendant seeks to minimize his illegal  
9 arms-trafficking activities. Notwithstanding the reams of evidence  
10 of defendant's deep involvement in the illegal brokering and  
11 trafficking of weapons over the course of many years, defendant  
12 reported to the USPO that "he has never seen or touched any military  
13 equipment, including an AK-47," and claimed that his access to  
14 weapons was so curtailed that he was limited to learning about them  
15 through online research. Defendant's statements are belied by the  
16 reams of evidence at trial and further referenced in the attached  
17 exhibit, which includes defendant's detailed discussions and  
18 negotiations relating to hundreds of weapons systems and other  
19 military articles and services. His statements to the USPO are also  
20 visually belied by two photographs, obtained from defendant's digital  
21 devices, in which defendant is pictured in a store-like setting,  
22 standing directly in front of a display of numerous assault rifles,  
23 holding a large-caliber ammunition round, and pretending to smoke the  
24 round like a cigar. (Exhibits 1132-1133)

25 *3. Avoidance of Sentencing Disparities*

26 In every one of the handful of cases resulting in a conviction  
27 under 18 U.S.C. § 2332g of which the government is aware, the  
28 defendant has received a sentence of at least 25 years. See United

1 States v. Hammadi, 737 F.3d 1043, 1046 (6th Cir. 2013) (life  
2 imprisonment on 2332g count); United States v. Bout, 731 F.3d 233,  
3 236-37 (2d Cir. 2013) (25 years on 2332g count); United States v.  
4 Cromitie, 727 F.3d 194, 204 (2d Cir. 2013) (25 years for each of four  
5 defendants (Cromitie, D. Williams, O. Williams, and Payen)); United  
6 States v. Al-Kassar, 660 F.3d 108, 117 (2d Cir. 2011) (30 years for  
7 one defendant (Al-Kassar); 25 years each for two other defendants  
8 (Al-Ghazi and Moreno-Godoy)); United States v. Garavito-Garcia, 2015  
9 WL 13708830, \*2 (S.D.N.Y. 2015) (25 years); United States v. Pouryan,  
10 628 Fed.Appx. 18, 20 (2d Cir. 2015) (unreported decision) (25 years  
11 for each of two defendants (Pouryan and Orbach)); United States v.  
12 Chen, 526 Fed.Appx. 772, 775 (9th Cir. 2013) (unreported decision)  
13 (25 years). Even absent the 25-year mandatory minimum now required  
14 under 18 U.S.C. § 2332g, at least one court has upheld a sentence  
15 much longer than 25 years for conspiring to traffic anti-aircraft  
16 missiles before that statute was enacted. See United States v.  
17 Lakhani, 480 F.3d 171, 185 (3rd Cir. 2007) (affirming 47-year  
18 sentence for 71-year old defendant who had a 19-year history of  
19 productive assistance to U.S. law enforcement). The government is  
20 unaware of any of these courts, or any court anywhere, having  
21 expressed reluctance or discomfort with the propriety of a sentence  
22 of 25 years or longer for a defendant convicted of trafficking in and  
23 use of anti-aircraft missiles under 18 U.S.C. § 2332g.

24 Even without regard to the applicable mandatory minimum, a  
25 sentence of more than 25 years is warranted in this case. The sheer  
26 volume of anti-aircraft missiles that defendant sought to transfer to  
27 militants operating in the shadows of unstable parts of the world  
28 alone justifies this conclusion. (Compare, e.g., Trial Exhibit 318,

1 in which defendant offered 400 Strela anti-aircraft missiles and 95  
2 Igla anti-aircraft missiles from his existing stock to various  
3 entities in multiple countries; Trial Exhibit 312, in which defendant  
4 conspired to transfer "30 + 300" Igla surface-to-air missiles to  
5 Erbil, Iraq; and Trial Exhibits 334-343, in which defendant conspired  
6 to transfer 50 Igla surface-to-air missiles to the Libya Dawn  
7 militant faction; with Hammadi, wherein the defendant was convicted  
8 of attempting to transfer two shoulder-fired surface-to-air missiles  
9 and sentenced to life imprisonment.)

10 Moreover, unlike in any other 2332g case of which the  
11 prosecution team is aware, the evidence suggests that at least one of  
12 defendant's anti-aircraft missile deals came to fruition. Trial  
13 Exhibits 334-342 detailed the creation of a Libya Dawn end-user  
14 certificate for munitions including 50 Igla surface-to-air missiles.  
15 Trial Exhibits 343 and 344 indicated that defendant's co-conspirator,  
16 David Shikhashvili (who continued to do business with defendant after  
17 this deal), sent defendant an invoice related to this end-user  
18 certificate.

19 The types of missiles with which defendant operated is further  
20 aggravating. As established at trial, the highly sophisticated  
21 Russian vehicle-borne S-400 system, which can hunt down and destroy  
22 an airplane hundreds of miles away and sells for billions of dollars,  
23 is tightly controlled by the Russian government and monitored by U.S.  
24 authorities because it can change the balance of power in a region,  
25 threaten existing government systems, and alter foreign policy. The  
26 protracted efforts by defendant, a private U.S. citizen, to broker  
27 the sale of this highly consequential system to a government in the  
28 Middle East without regard to the impact on U.S. national interests,

1 alliances, diplomacy, and foreign policy renders his conduct even  
2 more serious than the statute and the guidelines reflect. Moreover,  
3 defendant did not stop at merely proliferating these weapons; he  
4 conspired to use them to alter the balance of a foreign war.

5 **C. The Court Should Impose a Fine of \$300,000 After**  
6 **Defendant's Attorneys Have Been Fairly Compensated for**  
7 **Their Services**

8 Based on defendant's representations to USPO, defendant has the  
9 ability to pay a fine of \$300,000 within 90 days of sentencing. PSR  
10 ¶ 99. According to the PSR, defendant's brother sold a piece of land  
11 for \$300,000 to pay for defendant's expenses, including the fees of  
12 his retained attorneys. Id. ¶ 97. The government respectfully  
13 submits that a fine of \$300,000 should be imposed. Should defendant  
14 produce to the Court evidence (including bank records, receipts, and  
15 itemized billing records) satisfactorily demonstrating that payment  
16 to his attorneys has depleted the \$300,000 fund described in the PSR,  
17 the fine should be adjusted accordingly to reflect defendant's  
18 diminished ability to pay it.

19 **IV. GOVERNMENT'S RESPONSE TO DEFENDANT'S SENTENCING POSITION**

20 Defendant's sentencing position attempts to paint him as an  
21 incompetent bumbler who tried to make it in the illegal arms business  
22 but was simply unable to close a deal. See Def. Sentencing  
23 Memorandum at 11-12 ("for over five years, Ghanem solicited others  
24 for the sale of surface-to-air missiles without being able to  
25 consummate one deal during this time"; "Ghanem has proven to be a  
26 poor negotiator and facilitator of these types of deals"). As  
27 described above, defendant signed and executed a formal contract to  
28 broker a quarter billion dollars in arms and ammunition, along with  
other high-volume contracts and agreements. He and his companies are

1 named on end-user certificates and official offers as the supplier of  
2 massive quantities of munitions. His marketing materials repeatedly  
3 offered to provide his substantial customer base with a limitless  
4 array of weapons, ammunition, and mercenary services. His email  
5 communications reflect a nearly constant flow of communications with  
6 fellow black-market arms brokers over the years, negotiating  
7 quantities and models and calibers and prices, and arranging for the  
8 logistics of transport and concealment of the illegal loads.  
9 Defendant's claim of incompetence and lack of follow-through is not  
10 credible. In the high stakes world of black-market arms trafficking,  
11 had defendant failed to deliver on his offers and promises as  
12 reflected in the evidence, his suppliers and customers and fellow  
13 brokers would have (at best) ceased to do business with him. They  
14 did not; the evidence illuminates that defendant conducted many deals  
15 through the years with the same parties.

16 Defendant also requests credit for his purported good works,  
17 including rescuing two U.S. business men who were arrested by the  
18 Libyan militant faction that defendant supported. Defendant reports  
19 that he valiantly worked his contacts there to "save[] their lives."  
20 In a darkly ironic twist, defendant estimates that the same Libya  
21 Dawn faction that he supported with vast quantities of arms and  
22 ammunition and mercenary services would have otherwise killed these  
23 innocent American hostages. For this, he now demands credit for his  
24 humanitarian efforts.

25 Defendant's self-proclaimed "goodwill" in working with his  
26 Libyan contacts to free these two men from their ruthless captors is  
27 decidedly less noble when viewed in tandem with a similar episode in  
28 which his influence was sought to secure the release of hostages in

1 Libya. In late 2015, two Serbian diplomats were taken hostage by  
2 ISIS<sup>17</sup> in Libya after their diplomatic convoy, which included the  
3 Serbian ambassador, was ambushed. See  
4 [https://www.nytimes.com/2016/02/21/world/middleeast/serbian-hostages-](https://www.nytimes.com/2016/02/21/world/middleeast/serbian-hostages-killed-in-us-airstrikes-against-isis-in-libya.html)  
5 [killed-in-us-airstrikes-against-isis-in-libya.html](https://www.nytimes.com/2016/02/21/world/middleeast/serbian-hostages-killed-in-us-airstrikes-against-isis-in-libya.html) (last accessed May  
6 5, 2019) (attached as Exhibit 1134). On November 25, 2015, in the  
7 course of negotiations about an ongoing arms deal, defendant's  
8 Serbian business contact asked for defendant's help in securing the  
9 release of the hostages. (Exhibit 609.) After urging the Serbian  
10 arms broker to "finish this deal ASAP" to satisfy defendant's  
11 customer, defendant agreed that he could help secure the release of  
12 these hostages from ISIS — but only for the right price. Id.  
13 (Defendant: "For the 2 hostages in Libya for sure I can help, what's  
14 in it for me?"). A few months later, these hostages were killed in  
15 an airstrike on an ISIS training camp.  
16 [https://www.theguardian.com/world/2016/feb/20/us-airstrikes-libya-](https://www.theguardian.com/world/2016/feb/20/us-airstrikes-libya-serbian-embassy-staffers-killed)  
17 [serbian-embassy-staffers-killed](https://www.theguardian.com/world/2016/feb/20/us-airstrikes-libya-serbian-embassy-staffers-killed) (last accessed May 5, 2019) (attached  
18 as Exhibit 1135).

## 19 **V. CONCLUSION**

20 For the foregoing reasons, the government respectfully submits  
21 that an appropriate sentence for defendant in this case is a term of  
22 imprisonment of more than 25 years, five years of supervised release,  
23 a fine of \$300,000, and a \$700 mandatory assessment.  
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28 <sup>17</sup> ISIS, or the Islamic State of Iraq and al Sham, is designated  
by the U.S. Department of State as a foreign terrorist organization.